



Super League Gaming, Inc.

Second Quarter 2023 Conference Call

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PRESENTATION

Operator

Greetings, and welcome to the Super League Second Quarter 2023 Conference Call. Please note, this conference is being recorded.

Before we begin, I'd like to caution listeners that comments made by management during this call may include forward-looking statements within the meaning of applicable securities laws. These statements involve material risks and uncertainties, and actual results could differ from those projected in any forward-looking statements due to numerous factors.

For a description of these risks and uncertainties, please see Super League's financial statements and MD&A for the second quarter 2023 ended June 30, 2023, available on the SEDAR and EDGAR. Important qualifications regarding forward-looking statements are also contained in Super League's earnings release distributed earlier this afternoon and also available on SEDAR and EDGAR. Furthermore, the content of this conference call contains time sensitive information accurate only as of today, August 14, 2023. Super League undertakes no obligation to revise or otherwise update any statements to reflect events or circumstances after the date of this call.

Thank you. I'd now like to turn the conference call over to Ann Hand, Chief Executive Officer.

Ann Hand

Hello, and welcome to our quarterly call.

There's a little bit of lag in that video, but hopefully, you could still get a sense of the remarkable results that we deliver for some of the biggest brand partners in the world. Let's go ahead and kick off.

I'll start by saying that setting records is starting to become a thing here at Super League. From our continuing growth of monthly unique player reach, topping \$127 million last month to yet another record-

setting quarterly revenue. These best ever Q2 revenues saw a nice sequential uptick from Q1, growing 51% sequentially to just over \$5 million. We're just halfway through the third quarter and expecting yet another quarterly record delivering north of \$6 million in revenues based on the strength of early bookings. Again, we're only halfway through the quarter. That is worth a pause.

Our strategy is working and operating leverage is kicking in. We're proving we can take a greater share of advertisers' wallets proven through larger deal sizes and continued high repeat percentages. Our sales force effectiveness is increasing as indicated by higher total revenue wins per seller. We have signature clients like Hamilton now and Yas Island where we're delivering immersive experiences that are not just short-term campaigns, but persistent virtual worlds that change the size and distribution of our revenues to be more recurring, forecastable in nature. That's a big change because that has us looking like an ad model anymore. We think that's something that investors are really going to embrace that smoothing out of revenues and that greater predictability.

We've built a leading scalable, vertically integrated publishing machine across some of today's largest digital social platforms, and a metaverse innovation engine for the future of the immersive web.

Let's pull up a level and look at the macro environment. Traditional digital advertising continues to face headwinds. Internet advertising saturation, ad blocking technologies, and more continue to put down repression on underperforming ad CPMs. But here is what else we know. There's been a massive audience shift with over 0.5 billion monthly Gen Z and Alphas moving to the next generation of social digital platforms. These are platforms like Roblox, Minecraft and Fortnite, they're already there, and the ad dollars are still catching up.

In-game advertising is expected to be a \$56 billion industry by 2024, and young consumer behaviors are shifting as well. Forty-seven percent of Gen Z expects to discover brands first in immersive environments. That immersive content, 2D or 3D increases engagement by 252%. Hence, we offer brands a new high-performing marketing channel, a solution to their underperforming traditional digital ad channels, the future really of digital advertising. Even if you look at the recent earnings calls for Meta and Roblox, they validate what we see and what we do here at Super League. Roblox's revenues are growing 15% year-on-year. They continue to show strong new user growth, along with an increasing segment of 17 to 24-year-old players, proving that Roblox as well isn't a platform necessarily that you age out of. You'll note that they don't call themselves a gaming platform, they're a social platform.

Meta, is now recognizing that there is a necessary transition space between the 2D web using the screens we all have in our lives today, our laptop screens, our phone screens, our TV screens, and their point of view on a fully immersive 3D metaverse that requires a VR headset. This now makes them a real key partner for us to explore a strategic partnership because now that they're embracing a 2D transition, they have an opportunity to deliver a lot more users to their metaverse worlds because it would be much more accessible.

In summary, this is all fueled by spatial computing. The technology that has origins in these social gaming platforms exist and can now transform the dot-com experience. As you'll hear me say again and again, we have a leading publishing engine for the immersive web, one that will offer interactive, customizable, personalized web experiences beyond the platforms we operate in today.

Now, let's move on to some Q2 and subsequent operating highlights. As I mentioned last quarter, M&A and consolidation are ongoing themes in our emerging industry and our leading position makes us a magnet. To that end, we opportunistically acquired Melon in a very shareholder-friendly intelligently structured deal. Melon now branded as SL Studios is a groundbreaking development studio, it's renowned for creating award-winning high-profile experiences across an impressive array of global brands, including the likes of the NFL, Chipotle, American Girl owned by Mattel, Clarks and Dave & Buster's.

The Chipotle activation alone is one that—when I talk about with investors, I get a lot of excitement and reaction from it because I think they can feel as well how groundbreaking it is for us, and our opportunities that lie ahead. That activation provided us with a particular point of differentiation beyond just delivering material off-the-charts digital engagement. Not only did our immersive experiences deliver 24 million visits and generated billions of PR impressions, but we also set records for Chipotle's highest digital app download day and second highest digital food sales day ever in the Company's history, along with giving away 130,000 burritos in just 30 minutes.

Similarly, our June activation with Clarks shoe brand created a two-way street between the digital and physical worlds, striving real-life customers into an immersive Clarks' digital world to try on new shoe styles and then back to the store for purchase. We believe being a leader in measurable digital to physical conversion is a game changer for brands and again, a real distinction point for Super League.

Finally, it is of note that this accretive acquisition raises our in-house publishing capability, which we expect to improve our publishing margin profile while further augmenting our vertically integrated one-stop shop. In this nascent ecosystem of immersive experiences and media products, one that didn't even exist four to five years ago, we're in the company of few. We know the landscape and the types of partnerships that complement and accelerate our strategy.

To that end, one such partner is LandVault who consider themselves the largest digital construction company in the metaverse. In April, we formed a strategic partnership, creating a unique, powerful metaverse alliance, ready to provide brands with scalable solutions and bridge the gap between Web2 and Web3. Together, we've already launched programs in the UAE specific to virtual tourism and see abundant opportunities in this vertical alone across the UAE and greater GCC.

We have a powerful narrative combining the two companies' notable successes, and we share a common vision regarding the evolution of the immersive technology and how it will rapidly fuel a more immersive web. Then there's the biggies, the \$1 billion titans in our space that can change our faith. That's exactly how we feel about our recently announced strategic partnership with Roblox. Yes, Roblox appreciates the role we play in complementing their business objectives and appointed us in a very coveted position as a key partner. With what we would argue, at least in Super League's point of view, is the most significant social digital platform in the world. While we continue to reach those 100 million plus monthly active players in Roblox alone through our distributed network of game worlds, this partnership gives us access to their astounding audience reach in the hundreds of millions, to sell our immersive experiences and dynamic content along with their innovative ad inventory.

The added inventory augments Super League's powerful end-to-end solutions, and we believe will result in not just larger deal sizes, but also a larger overall sales pipeline as Roblox refers brand partners our way. It's having really truly an extra salesperson fueling our pipeline, but a salesperson on steroids, so to speak. Then there's the business that we're in right now. Every week, we're creating powerful, high-impact immersive experiences for brands through our technology and capabilities. One of the coolest experiences we launched recently was in partnership with Interscope Records, the world leader in music entertainment. For the Imagine Dragons Live in Vegas Hulu Watch Party on Roblox, this exclusive digital event marked the first ever music documentary watch party on Roblox and create an innovative way to bring an immersive concert watch party to life and activate their massive fan base.

While creating a virtual replica of Barbie's Dreamhouse is still very near and dear to my heart, that was something we delivered late last year, delivering 60 million visits in just 30 days, especially in the time of Barbie mania, so to speak. That was a moment for sure. But now we have Hamilton. It is a privilege to bring the biggest Broadway hit ever in history into the metaverse with last week's launch of the Hamilton Simulator, a revolutionary way to experience and bring to life that shows groundbreaking music. Through innovative design and iconic artistic set pieces, new and existing fans alike can now immerse themselves into an adventure inspired by history with themed activities and interactive discovery of the magic of Hamilton.

As we know, Hamilton is a once-in-a-generation cultural touchstone, and the experience further demonstrates that anything that exists in the physical world can have a virtual twin to reach new, younger audiences and prove that learning about American history can be gamified in a way that makes education more fun and memorable. The results so far speak for themselves. Our Hamilton world has already experienced over 100,000 visits just in the first day alone, an average play session is about 27 minutes with a 97% like rating. Those are stats that go way beyond the typical Roblox game. The presses field that interest with over 400 pieces of coverage reaching a potential audience of about 6.5 billion readers.

Now we will provide you a little bit of a sample of some of the Hamilton experience. Could you play the video, please.

(Video Presentation)

Fantastic. Hopefully, some of you on the call have children or grandchildren in your lives, and you can imagine how exciting of an experience that can be for them, again, to learn about history and do it in a such fun empowering way.

Now, let's move on to pipeline trends. I often say my favorite meme of the week is our weekly revenue pipeline review, in part because the confidence, the positivity, the synergy and the momentum of our best-in-class sales leadership is palpable. We continue to maintain a high repeat percentage of 70% for immersive experiences and products. This indicates that we're not only delivering on advertisers' ROI, but also this new marketing channels increasingly becoming a standard go to for their marketing campaigns. As well, we continue to attract new verticals beyond entertainment, toys and gaming, with notable growth in the categories of fashion, beauty, automotive, financial services, tourism, brands like Maybelline, Lego, Sony, H&M, Procter & Gamble and many more all put ad dollars to work with us in Q2.

We've already booked four deals this year that are over \$1 million in value, the likes of Kraft Foods and Toyota to name a couple versus just one singular deal last year in those 7 figures. There are more 7 figure deals that we are chasing in the pipeline as we continue on. Our average deal size in the pipe remains in that \$300,000 range, with 60% of the deals we're pursuing, 6 figures or more in nature. As I mentioned at the start, our sales force effectiveness is on the rise.

In 2002, the bar for our highest-performing sales executive was about \$3 million in annual sales. This year as our sales team becomes a more sophisticated, experienced, we're seeing our top sellers now setting a benchmark of \$4 million to \$5 million in annual sales capacity. At that rate, our eight person domestic sales team, separate from our international resellers, separate from our business development partnerships, has a capacity of up to \$40 million in annual revenue, and that's just if we stood still, but we're not. Further evidence is that our sales leverage is kicking in. Our win rates are trending upwards to north of 50%, we are increasingly becoming the preferred partner of the brands we serve. But as I said, not standing still, we're expanding both our suite of new, innovative and high-margin immersive products, and our sales talent performance to accelerate top line growth.

As for our cost structure, following vigorous cost-cutting initiatives began in mid-2022, we have a leaner operating structure. In the second quarter of 2023, excluding significant noncash charges, we reduced our pro forma operating expense roughly 30% compared to the prior year quarter. This was achieved through a 71% reduction in our cloud services and platform technology costs, as well as reductions in personnel, marketing and other corporate costs. This more optimized structure underscores our commitment to focusing on top line revenues, pulling forward breakeven and profitability and increasing our operating leverage.

The successful completion of \$24.4 million capital raise, including \$10.3 million in the second quarter has helped us eliminate all debt and shore up our balance sheet during the period. We have enough going for us that we are confident we can address our short-term and long-term working capital needs, as we have

done so historically. Our revenue growth is being well received by investors that have historically stood by us.

Looking ahead, as we enter the seasonally strong second half of the year for us, we couldn't be more excited to deliver yet another record-breaking second half for 2023. We have never been in a stronger position to achieve our vision through our more streamlined focused operating structure.

That completes our review of the second quarter and corporate update. Now, operator, let's go ahead with Q&A.

Operator

Certainly. (Operator Instructions)

Our first question is coming from Scott Buck from H.C. Wainwright. Your line is now live.

Scott Buck

Hi. Thanks for taking my questions. First one for me. It's great that you guys are seeing larger average deal sizes. I'm curious if this is a trend that's specific to what Super League can offer? Or does it reflect kind of easing of some of the macroeconomic headwinds that we've seen over the course of the past six to nine months?

Ann Hand

I think it is 100% more about what Super League can offer. There's no doubt that advertisers have started to loosen up the spend again in Q2, and you saw things improve across other kinds of digital platforms as well. But this is about the fact that we can be a one-stop shop to deliver digital experiences plus immersive media products. By extension, other products, I have a sales leader in the company who talks about as kind of like we own Disneyland. It's not just about the fact that we make the great ride, but we kind of get to control the pathways and even the gift shop on the way out.

I say that as an analogy to say that when we're putting together these sizable packages for to deliver end-to-end campaign solutions, there is a large mix of products now on our menu that really augment and drive the excitement to the immersive experience, but by extension, we're able to double or triple the size of campaigns and programs that we can pitch to advertisers because we can hit all of their ROI objectives, not just the experiential ones. I think it is 100% due to the fact that we are that end-to-end solution.

Scott Buck

Great. That's helpful. Then I wanted to ask about direct-to-consumer. I saw that was down year-over-year. I was just kind of curious what was going on there in the quarter? What's the longer-term outlook for that segment?

Ann Hand

Yes. It's not really anything specifically that's down. We just had some strong sales in that regard, mainly with our Mine Ville and Pixel Paradise servers that we run for Microsoft around the Minecraft product. We've been pivoting the Pixel Paradise server to actually go after a different type of audience now. We're going to try to see if we can get that performance up to the levels of Mine Ville. It's a little bit about when you launch a new server, you get a spike of excitement. Then you have to continue to keep optimizing those servers and approach those businesses in different ways.

It is important though to note that we do believe the more that we're running fully immersive game worlds in a persistent way for the Hamiltons, and the Yas Island of the world, we do believe the bigger opportunity for us on direct-to-consumer, which is a very attractive high-margin revenue stream is when we deliver those programs that we'll start to negotiate those deals in a way where we have a potential to participate in the consumer moderation of those worlds.

Today, we're being paid to design, develop and operate and optimize them. That is one type of really publishing revenue. What we would like to see as we become more sophisticated and have more deals like that under our belt that we can have more leverage with clients to ask for a portion of the royalty rev share on the consumer side. That is where I think you'll start to see direct-to-consumer maybe become a more meaningful wedge of our revenue portfolio.

Scott Buck

Super. That's helpful. Then last one for me. I'm just kind of curious what kind of insight you guys may have into the fourth quarter and then whether or not you're seeing that kind of typical seasonality hold in some of the conversations you've been having with advertisers?

Ann Hand

Yes. I mean completely, as I said, we're seeing here only halfway through Q3, and we're talking already about having a line of sight to north of \$6 million. That's pretty great. Indefinitely again, beats last year's Q3, which was a record-setting quarter. Then as you know, we did about \$7.5 million last year in Q4, which, again, was our largest quarter ever, not just Q4, our largest quarter ever in the history of the Company because that's what you'd expect with that seasonality, and when I talked earlier about the fact that we're seeing kind of off-the-charts delivery from some of our top sales executives, we've got a sales executive who's already booked for Q3 more than they delivered—or for Q4 more than they delivered in all of last year. All of those trend lines are showing that Q4 is going to be, again, another record breaker for us. We like all of that momentum.

But, then what we also really do like is that, again, when you're running Hamilton or Yas Island or increasingly some of these other game worlds, 12 months out of the year or in a persistent way, that's going to smooth that revenue out. I think investors will be happy with that because I think that does give us a chance to start to have a little bit more predictability and not be quite so subject to that seasonality.

Look, we don't mind it in Q4. We're going to take as much of those ad dollars they want to put to work at the holidays as we can get. But wouldn't it be nice if a big chunk of our revenues as well, were kind of spread throughout the year and felt more recurring in nature as well. The reason that also what's happening, and why do we think advertisers will get there and start having more persistent channels in these worlds, it's no different than when they were first trying to understand what is Facebook 15 years ago. Why do I have to advertise there? But then they saw the massive audiences and they realized, they can't have a strategy on Facebook or Instagram that just pops up here and there for a couple of weeks and then goes to dark and then pops up again. It's now a persistent ad channel. It's a persistent chunk of their annual spend and they sprinkle it accordingly throughout that year. What's happening is, once these advertisers are getting a taste of what we can do for them, like the Barbie example, they don't turn off Barbie's Instagram account 11 months out of the year. But we only ran the Dreamhouse for one month. Really what we try to convince Mattel and other clients is now that you've seen that off the charts engagement, how can you start thinking about the ways that you could have used that Dreamhouse channel all year long to achieve all kinds of campaign objectives.

Scott Buck

That's helpful. I appreciate the time, guys. Thank you very much, and congrats on the quarter.

Ann Hand

Thank you.

Operator

Next question is coming from Howard Halpern from Taglich Brothers. Your line is now live.

Howard Halpern

Good afternoon. In what you just talked about with the Barbie, is that something with data analytics packages that could eventually be an offering for you guys?

Ann Hand

That's a really good question. Yes, we think that one of the things that makes us unique with the tech and the capability backbone that we've built is the fact that we really understand these players and the way they want to engage around brands, and the way that they convert, attribution is the key, it's like the Chipotle example into real-life drivers of P&Ls for these brands. Between the data and the opportunity as well for—to start to really be paid on conversion, we think are two places that for others who try to do the best they can to kind of mimic what we do. Usually, that's just going to be a traditional service ad agency who kind of going out and hiring a Roblox game developer, maybe buying some of our media products or Roblox's. We are distinctive again because we're a one-stop shop as acknowledged by that Roblox strategic partnership, but equally we do see that the data, the insight is an area that is improving attribution that conversion piece are points of distinction.

Howard Halpern

Okay. When you talk about deal size, and the length of the deals increasing, how do you look at it over the next couple of years that that could end up driving gross margin?

Ann Hand

Yes. I would say on the margin side, I mean, we continue—as I said, think of us as having this beautiful rich, dense menu of different types of products and activation. When an advertiser comes to us and says, these are the goals that I'm seeking. This is the type of KPIs I want to achieve, we can pull from that menu and deliver and beat a lot of those engagement numbers, but we have a plethora of high margin offerings inside of there. We can cobble together the right programs that meet those goals, but also tap into, frankly, the products that we have that deserve those types of strong margins because they are the highest value generating.

We'll continue to expand and look at margin. But I would say the margin opportunities also improve with these longer programs because of what I mentioned earlier that it will allow us to instead of just being hired on a temporal basis, it will allow us to not only get more revenue per persistent basis, but also start to grab some new revenue streams, hopefully getting a cut of some of the direct-to-consumer monetization as well. Direct-to-consumer monetization inside these virtual world platforms tends to be about a 70%, 80% margin product. That in itself could be a meaningful chunky way to walk up our overall average margins as a company.

Howard Halpern

Okay. Well, thanks and keep up the good work.

Ann Hand

Thank you.

Operator

Thank you. Our next question today is coming from Jack Codera from Maxim Group. Your line is now live.

Jack Codera

Hi. This is Jack Codera calling in for Jack Vander Aarde. Congrats on a solid quarter, and thanks for taking my question. You guys gave some great commentary in the shareholder letter about the capacity of this new direct account team. I was wondering if you could give any additional color on specific sales headcount. Have you expanded there? I think I heard you say eight, so that would be maybe one more sequentially. Then on that \$32 million to \$40 million number, that sounds like sort of like a goal run rate based on the capability of top performers. I was wondering how do you think about that in terms of like how to unlock that? If you could explain that a bit more, how we should think about that number, that would be helpful.

Ann Hand

Yes, absolutely. Yes. I mean, look, first of all, we've got a fantastic sellers, but equally, they're selling products that didn't exist three or four years ago. There's certainly a learning curve when you're pulling people who are coming maybe from more traditional media sales to now kind of understand how to sell these immersive both experiences and media products. That said, we're seeing a faster learning curve or ramp up as we bring in a new salesperson, they're getting up that curve faster. A lot of that is having those more seasoned senior salespeople above them that can kind of play that mentoring role.

The other thing that we're noticing is, as I mentioned, our couple of top sellers last year, that delivered \$2.5 million, \$3 million are now going to hit \$4 million or \$5 million, even maybe more million this year. We now know what a new bar for capacity looks like. If you had asked us last year, we would have said, "oh, maybe \$3 million is about the max" Well, now we're seeing again bigger deal sizes and the opportunity to walk that up more.

The other thing that I would say is, we do churn our sales talent. Look, this type of a sales effort, it's not traditional media sales. It's much more about brand and partnership development and especially when you look at the nature of the recurring deals, but also the size of the deals. I mean, brands are trusting us with, in this case, and some millions of dollars. It really takes a very seasoned, experienced relationship builder. What you're seeing in those eight strong that we have now is some churn where we've high-graded some folks. In fact, we poached two fantastic sellers from an agency called SuperAwesome, which has tended to be the main agency we're going up against often when we're winning some of these bigger programs.

They're purely just a service ad agency, but they've been out, so they don't have our tech and capability in-house. They can't publish Game World. They don't have our dynamic content ad products. But they were going out and kind of being a middleman. They had a bunch of salespeople who are out still selling that nature of those programs, even if they didn't have the in-house capability in tech to deliver it. That was a real kind of big boost for us in bringing in people who already had some experience in the space.

Now the question then becomes, well, then why not add four more salespeople? That's why our cost-cutting efforts have been so important. We never wanted to take a hit on the top line, but we really tightened and focused our product strategy, made sure that we're putting the product and engineering half of the company into the areas that have the highest growth opportunity for us. What that also has done, leaning out other parts of the org, including some of the corporate cost structure is allowing us to redirect a higher percent back into the sales team, the people who are customer and revenue-facing. You'll continue to see us very

opportunistically grow that team faster because the next big step up on top line growth, and we've now turned that corner a more profitable company.

Jack Codera

Awesome color there. That's really good. I have one more question, this a bit more general on kind of the longer-term target in a few years or so, is like \$100 million target. Do you have any like directional thoughts on how your segments are evolving, how will that \$100 million breakout between your different segments in the future?

Ann Hand

Yes. It's a really good question. I mean, as you can see, we had a 250 plus percent jump in our publishing content studio revenue this quarter. That just shows that these immersive experiences now that we're doing four brands are chunkier and bigger in nature. Again, instead of us just selling a lot of media products, we're now really taking a leadership position as the place to go to, to create the highest engagement immersive experiences like Hamilton and the Barbie Dreamhouse. That's exciting because, again, that's a distinction and in-house capability that we have that really separates us.

Again, what I would say is that while this year, you're going to still see that when you add up the publishing content line plus our advertising products line, that's still going to look like the bulk of the revenue of the Company. I do think that starting next year, we could see direct-to-consumer start to emerge. It won't be larger than publishing and advertising together, but it will certainly be increasingly a more growing revenue stream for us. That excites us to get a little bit more balanced in those products. But I think the most important balance in revenues or change in revenues that I think I want the investors to understand is, first, to understand that the publishing line plus the advertising product line, those things are really—we separate them because they have a little bit different margin profile to them, but they're essential, they work together.

Our strong point of view is the way we deliver the best programs for brands is when we do both. That's what makes us that end-to-end solution. Often, I tell investors, you should almost look at those. They are different capabilities, they're different products, but they always 9 times out of 10, we're pitching using both of those legs of revenue to deliver all of these big brand programs. I first want to want people to realize the importance and the powerful dependency those things have.

Then the question becomes data, direct-to-consumer, what are the new revenue streams we can begin to carve out. But, at least for the publishing and advertising what investors, I think, should be looking for most next year as far as the change in revenue is to start to see instead of those two powerful legs of revenue working together for short-term objectives, for delivering brands campaign goals that we should see more and more Yas Island and Hamiltons. That is a very powerful change in the business model, and then coupled with us digging into new revenue streams like data and direct-to-consumer, which again can have really attractive margins to help that overall margin profile.

Jack Codera

That's awesome. I actually have one more question, if possible. Given your comments on kind of these new emerging verticals, in fashion, are you seeing any specific industries that have like particularly sticky customers? Is there certain industries that given their single dollar ad spend towards Super League, is it a little bit more efficient and therefore, those customers are coming back more than others? Do you have any comment there?

Ann Hand

Well, I definitely think that fashion and beauty makes perfect sense. You can first test with your digital self or avatar new looks, styles, new makeup trends, new hair styles, new fashion looks, and you can even

purchase those things for your digital self and then that encourages you to now want to translate that into your physical life. I think it makes sense that because so much is built inside these immersive worlds around your own avatar, and how you customized yourself, how you want your digital self to occur, you're decorating yourself effectively with a hair and makeup and clothing anyway just to be kind of really distinguish your digital avatar from others. Those areas make perfect sense.

I think the one that we're really excited about, I mentioned a little bit earlier, is virtual tourism. When you think about the typical dot-com experience for tourism is a bunch of stock photos. But if you want to think about visiting the real Yas Island and Abu Dhabi, wouldn't it be cool to do a fly-through of SeaWorld or right around the F1 track. Well, that's exactly what the immersive worlds that we've built for Yas Island enable is both for kids and parents to be able to experience the virtual experience and then hopefully converting them into real-life visitors of this amazing recreation island. I think that one just makes so much sense.

Ever since some of that press came out, we started getting contacted by markets in the United States that have some of the largest public golf course communities or hotel communities. In some cases, it's specifically maybe the golf course company themselves, in other cases, it's the city that's trying to say, what can we do to attract more visitors to our city as a whole and maybe one of their biggest attractions is some signature courses or other types of activities. We have noticed that tourism seems to just be a no-brainer because wouldn't it be a lot better to first experience, do a fly-through versus just looking again at some of those stock photo images.

The nice thing too, on virtual tourism is that you can see that it starts where we're building these virtual worlds inside of like Roblox or Sandbox, a place that already has the engine to create that virtual tour and fly through an experience. But again, as I mentioned earlier in the call, spatial computing technology being used in gaming can be used for a website today. You don't need a VR headset to be able to go to, I don't know, call it MyrtleBeach.com, and to be able to see that you can have that same kind of immersive way to explore it. When we talk a lot about the immersive web and it being here right now, we're saying the tech is there, it exists, and this is the opportunity we now have to take a brand from saying, come over here and build immersive worlds where all of these Gen Z and Alphas are living. But then in those conversations, now let's talk to you about what is your web strategy as a company? What could Barbie.com look and feel like using again this tech that already exists?

Jack Codera

Thanks for the color, and congrats again on the quarter.

Operator

Thank you. We reached the end of our question-and-answer session. I'd like to turn the floor back over to Ann for any further or closing comments.

Ann Hand

Well, thank you. I'll be a bit repetitive here, but I can consistently talk about Super League being in the strongest position in our history to execute our vision. Our rocket ship to the immersive web has never had a more focused operation, a clean balance sheet with no debt. We serviced over 100 brands last year. In my view, liftoff is complete and it's now about acceleration and scale, as we march towards \$100 million in revenue over the next few years. We'll continue to act on all opportunities to further streamline our cost structure and expand into higher-margin products to turn that important corner to profitability in short order. While our roots and success are in the creation of immersive digital experiences and products inside some of the world's largest open world gaming platforms today, our future is in building the premier publishing engine for the immersive web.

Thank you so much for your time, and please reach out to our IR team if you have any other questions or comments.

Operator

Thank you. That does conclude today's webinar and telecast. You may disconnect your lines at this time, and have a wonderful day. We thank you for your participation today.